

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND HUMAN SERVICES

Call to Order: By **CHAIRMAN BETTY LOU KASTEN**, on March 24, 1999
at 7:03 A.M., in Room 312 - 2 Capitol.

ROLL CALL

Members Present:

Rep. Betty Lou Kasten, Chairman (R)
Sen. Chuck Swysgood, Vice Chairman (R)
Rep. Beverly Barnhart (D)
Rep. John Cobb (R)
Sen. Bob Keenan (R)
Sen. Mignon Waterman (D)

Members Excused: None.

Members Absent: None.

Staff Present: Delila Croucher, Committee Secretary
Lois Steinbeck, Legislative Branch
Susan Fox, Legislative Branch
Gregory Petesch, Legislative Branch
Bob Andersen, OBPP
Connie Welsh, OBPP

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) : Managed Care

Executive Action: None

The Committee discussed and reviewed amendments and language to be added to House Bill 2. A fixed payment option was added to manage mental health care. Laurie Ekanger asked if the intent of the Committee was for every individual in the plan to be charged co-pays. Sen. Waterman suggested striking the language. Rep. Barnhart said that she wanted co-pays to be an option, not a requirement. Sen. Swysgood noted that unless the Committee

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directs that co-pays be instituted, it probably won't be done. The Committee decided to leave the language in.

EXHIBIT (jhh66a01)

{Tape : 1; Side : A; Approx. Time Counter : 0 - 14.9}

Sen. Waterman suggested adding language that would allow intermediate sanctions or contract termination. Lois Steinbeck said that the Committee could direct the Department to come up with a contract that has intermediate sanctions. Greg Petesch said that the Committee could include requirements in the bill that they want in the contract. What can't be dictated is the way the contract is enforced by the Department. It was decided by the Committee to include the intermediate sanctions in the bill.

{Tape : 1; Side : A; Approx. Time Counter : 14.9 - 21.4}

Sen. Waterman argued for Medicaid eligibility to be awarded to those most needy. Rep. Kasten said that the contract is set up for a financial need and clinical need.

Motion/Vote: SEN. WATERMAN moved TO INCLUDE LANGUAGE IN HB 2 THAT WOULD AWARD MEDICAID ELIGIBILITY TO THOSE MOST NEEDY BE ADOPTED. Motion failed 3-3 with Barnhart, Cobb, and Waterman voting aye.

{Tape : 1; Side : A; Approx. Time Counter : 21.4 - 24.7}

The Committee decided to allow the Department to use a care managed fee-for-service system through the transition.

Mike Billings updated the Committee on where the Department is with the transition with Magellan. The essentials of the agreement that terminate the contract with Magellan as of June thirtieth, are as followed. The state will assume risk for the Mental Health Access Plan beginning with services provided on or after May first. Magellan will continue to operate as they are now, through June thirtieth. After that time, there will still be some claims that belong to the state that Magellan will process. The state will reimburse them on a per-claim basis. The agreement involves spending down the reserve fund for oldest claims first, until all claims are paid out. The Department will keep control of the reserve fund of \$12.7 million. Essentially, the Department will be buying out a part of the unamortized startup costs that CMG was forced to implement in order to bring the system up. Mr. Billings noted that all in all this agreement has been negotiated in good faith with Magellan.

{Tape : 1; Side : B; Approx. Time Counter : 10.8 - 14.2}

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Rep. Cobb asked if Magellan would remain as an ASO after July first. Mr. Billings said that after July first, the Department intends on having the Montana-Wyoming Foundation operate in a contract similar to what they are doing now regarding medicaid physical health managed care.

{Tape : 1; Side : B; Approx. Time Counter : 14.2 - 16.2}

Sen. Keenan asked how much the startup reimbursement would be. Mr. Billings indicated that it would be \$990,000. As part of the buy-out, the Department will be receiving capital assets.

{Tape : 1; Side : B; Approx. Time Counter : 16.2 - 17.4}

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ADJOURNMENT

Adjournment: 7:50 A.M.

REP. BETTY LOU KASTEN, Chairman

DELILA CROUCHER, Secretary

BK/DC

EXHIBIT (jhh66aad)